

## CHAPTER 8 WORKFORCE DEVELOPMENT FUND

[Prior to 9/6/00, see 261—Ch 75]

**261—8.1(15,76GA,ch1180) Purpose.** The purpose of the workforce development fund is to provide revenue for programs which address the workforce development needs of the state. Moneys are appropriated to the fund from the workforce development fund account and are to be used for the following programs and purposes: training and retraining programs for targeted industries, projects under Iowa Code chapter 260F, apprenticeship programs under Iowa Code section 260C.44 (including new or statewide building trades apprenticeship programs) and innovative skill development activities.

**261—8.2(15,76GA,ch1180) Definitions.**

*“Agreement”* means an informal agreement between the department and a grantee that authorizes expenditure of a workforce development fund award.

*“Board”* means the Iowa department of economic development board.

*“Contract”* means a formal agreement executed by the department and a grantee for purposes of operating a program under the workforce development fund.

*“Department”* or *“IDED”* means the Iowa department of economic development.

*“Director”* means the director of the Iowa department of economic development.

*“Grantee”* means any entity receiving a workforce development fund award from the Iowa department of economic development.

**261—8.3(15,76GA,ch1180) Workforce development fund account.** A workforce development fund account is established in the office of the treasurer of state under control of the department. Upon payment in full of a certificate of participation or other obligation issued to fund a job training program under Iowa Code chapter 260E, including a certificate of participation repaid in whole or in part by the supplemental new jobs credit from withholding under Iowa Code section 15A.7, the community college providing the job training program shall notify the department of the amount paid by the employer or business to the community college to retire the certificate during the last 12 months of withholding collections. The department shall notify the department of revenue and finance of that amount. The department of revenue and finance shall then credit to the workforce development fund account, established in Iowa Code section 15.342A, 25 percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is \$10,000,000. The legislature will make an annual appropriation from the workforce development fund account to the workforce development fund.

**261—8.4(15,76GA,ch1180) Workforce development fund allocation.** The director shall submit, not later than January 1 of each year, at a regular or special meeting, for approval by the IDED board, the proposed allocation of funds from the workforce development fund to be made for the next fiscal year for the programs and purposes intended. The director shall also submit a copy of the proposed allocation to the chairpersons of the joint economic development appropriations subcommittee of the general assembly. Notwithstanding Iowa Code section 8.39, the plan may provide for increased or decreased allocations if the demand for a program indicates that the need is greater or lesser than the allocation for that program. Workforce development funds are received quarterly. The sequence in which the funds are allocated to the various programs under the workforce development fund will be determined by the department based upon the demand for the respective programs.

**261—8.5(15,76GA,ch1180) Workforce development fund reporting.** The director shall report on a quarterly basis to the IDED board on the status of the funds and may present proposed revisions for approval by the IDED board in January and April of each year. The director shall also provide quarterly reports to the legislative services agency on the status of the funds. Unobligated and unencumbered moneys remaining in the workforce development fund or any of its accounts on June 30 of each year shall be considered part of the fund for purposes of the next year's allocation.

**261—8.6(15,76GA,ch1180) Training and retraining programs for targeted industries.**

**8.6(1) *Program purpose and targeted industries.*** The purpose of this program is to provide training and retraining to develop the skills of employees employed in targeted businesses or industries or to address a workforce development need of a targeted industry. Targeted industries have been identified as industries engaged in the business or manufacture of:

- a. Value-added agricultural products.
- b. Insurance and financial services.
- c. Plastics.
- d. Metals.
- e. Printing paper or packaging products.
- f. Drugs and pharmaceuticals.
- g. Software development.
- h. Instruments and measuring devices and medical instruments.
- i. Recycling.

**8.6(2) *Other industries.*** Training may be provided to industries other than those listed in 8.6(1); however, the applicant will have to provide a strong rationale regarding how that industry diversifies, strengthens or otherwise enhances Iowa's economy. Eligibility may be established by an industry other than those listed if that industry can provide rationale regarding the industry's benefit to Iowa's economic base. Rationale that is provided will be reviewed by department staff to determine eligibility as a targeted industry. Items that will be considered in determining an industry's benefit to Iowa's economic base will include:

- a. The majority of the products or services produced by the industry are exported out of Iowa.
- b. The inputs for the products produced in the industry are raw materials available in Iowa or are provided by Iowa suppliers.
- c. The goods or services produced by this industry diversify Iowa's economy.
- d. The goods or services provided by the industry resulted in, or will result in, a decrease in the importation of foreign-made goods into the United States.
- e. The industry shows potential for future growth.
- f. The functions of the industry do not produce harmful effects for Iowa's natural environment.
- g. It is established that the average wages of the majority of the occupations in the industry are above the statewide average wage.

Businesses engaged in retail sales or the provision of health care or other professional services will not be considered targeted industries and are not eligible for this program.

**8.6(3) *Eligible applicants.*** Applicants must be an individual business, consortium of businesses, trade association or labor organization that represents one of the identified targeted industries in order to be eligible for funding.

**8.6(4) *Length of projects and maximum grant awards.*** The department will establish the desired project length and maximum grant awards based upon the amount of workforce development funds allocated to the program in a fiscal year and upon the training needs of the targeted industries. These limitations will be published in the application packet. Grantees may request extensions to the length of a project.

**8.6(5) *Allowable activities.*** Allowable activities include vocational and skill assessment testing; adult basic education; job-related training; cost of a company, college, or contracted trainer or training services; training-related materials, equipment, software and supplies; curriculum development; lease and rental of training facilities and equipment; training-related travel and meals; and contracted or professional services. Costs associated with the administration of the project (i.e., fiscal and reporting activities, project supervision and coordination) are allowable but are limited to 15 percent of the total program budget.

**8.6(6) *Application procedure.*** Application packets will be made available by the department. Application packets will outline eligibility criteria, the required application inclusions and points established for evaluation. Applications must be submitted to the Iowa Department of Economic Development, Workforce Development Coordinator, 200 East Grand Avenue, Des Moines, Iowa 50309. Only the applications of eligible applicants will be considered. Applications may be submitted at any time during the year but must be submitted at least 15 days prior to the start date of activities for which reimbursement through this program is being requested. Applications will be reviewed in the order in which they are received.

**8.6(7) *Required proposal inclusions.*** Required contents of an application will be described in the application. Applications must address all information requested in the application packet to be considered for award. If all requested information is not provided, applications will not be considered for funding. Applicants who have been denied funding may reapply. Reapplications will be treated as new applications.

**8.6(8) *Evaluation and rating criteria.*** The criteria used for scoring the application will include the following:

- a. The training proposed in the project is needed to address industry demands, up to 10 points.
- b. This project is for industry-specific training that is not currently available, up to 5 points.
- c. The scope of the project is such that there is benefit for several businesses within the industry, up to 5 points.
- d. It is proposed that the training will be provided to several businesses within the industry, up to 5 points.
- e. The training is for an industry where there is anticipated job growth, up to 10 points.
- f. Training is also made available to job seekers wishing to enter the industry, up to 5 points.
- g. The training is required in order for the employee to retain employment or the training will improve the employee's opportunities for enhanced pay or benefits or for promotional opportunities within the industry, up to 10 points.
- h. The project is feasible in terms of the reasonableness of the budget in comparison to the expected outcomes, other comparable training, and the demands of the industry, up to 15 points.
- i. The expected outcomes enhance the competitiveness of the industry and the economy of the state, up to 15 points.
- j. The previous experience of the training provider is sufficient to ensure quality training, up to 10 points.
- k. Match contributed to the project evidences commitment to the project on behalf of the proposer, up to 10 points.

Proposals will be reviewed by two department staff. As a part of this review, staff will ascertain which community college district(s) the project corresponds to and notify the appropriate community college president from that district of the proposal for purposes of review and comment. Points will be assigned for each evaluation criteria by each of the respective staff and totaled. The two scores will then be averaged. Proposals receiving an average score of at least 70 out of a possible 100 points will be presented to the director for a final funding decision. The director will base a final funding decision upon available funding.

**8.6(9) *Award process.*** Upon approval by the director, the applicant will receive an award letter which will state the amount and conditions of the award. Awards will be made in the form of grants.

**8.6(10) *Contract.*** Following notification of award, a contract will be prepared for execution between the applicant and IDIED. The final project application will become part of the contract. In addition, there will be other contract assurances which will include, but are not limited to, the provisions of these rules and applicable state and federal laws. After execution of the contract the grantee may request disbursement of funds on the form(s) prescribed by IDIED.

**261—8.7(15,76GA,ch1180) Projects under Iowa Code chapter 260F.** The 260F program is funded in part through the workforce development fund. Administrative rules for this program can be found in 261—Chapter 7.

**261—8.8(15,76GA,chs1180,1219) Apprenticeship programs under Iowa Code section 260C.44 (including new or statewide building trades apprenticeship programs).** The apprenticeship program under Iowa Code section 260C.44 is funded by an allocation to the workforce development fund. Administrative rules for this program can be found in 261—Chapter 17.

**261—8.9(15,76GA,chs1180,1219) Innovative skill development activities.**

**8.9(1) *Program purpose.*** To develop and provide creative training programs that will enhance the skill development of Iowa employees or address a workforce development need. Projects should concentrate on developing skills in new or emerging businesses or industries or address technological skills needed for current or future workers to become or remain competitive in the current labor market in existing businesses. The department will establish priority innovative skill areas for project solicitation annually, prior to the beginning of each fiscal year. These priorities will be established based upon the workforce and economic development needs of the state. These priority areas will be reflected in the request for proposal.

**8.9(2) *Eligible applicants.*** Eligible applicants include individual businesses, consortia of businesses, trade associations, labor organizations which represent a majority of the employees to be trained, educational institutions, and other public or private not-for-profit organizations which represent a majority of the individuals or businesses that will benefit from the training.

**8.9(3) *Length of projects and maximum grant awards.*** The department will establish the desired project length and maximum grant awards based upon the amount of workforce development funds allocated to the program in a fiscal year and upon the annual priorities set for this program by the board. These limitations will be published in the application packet. Grantees may request extensions to the length of a project.

**8.9(4) Allowable activities.** Allowable program activities include purchase or development of training curricula and materials; purchase or provision of technological equipment and related materials needed for the delivery of training; activities needed to support a training program including, but not limited to, assessment, recruitment, outreach and applications; training site development; activities needed to develop a training program including, but not limited to, travel, research and development, focus group activities and legal fees; activities designed to creatively address a workforce development need identified by a community that, if successful, can be easily replicated in other communities; tuition and fee reimbursements for students; tutorial and remedial education services; counseling services; coordination services; vocational and skill assessment testing; adult basic education; job-related training; cost of a company, college, or contracted trainer or training services; training-related materials, equipment, software, and supplies; lease and rental of training facilities and equipment; training-related travel and meals; and contracted or professional services. Costs associated with the administration of the project (i.e., fiscal and reporting activities, project supervision, and coordination) are allowable but are limited to 15 percent of the total program budget.

**8.9(5) Application procedure.** Application packets will be made available by the department. Application packets will outline eligibility criteria, the required application inclusions, and points established for evaluation. Applications must be submitted to the Iowa Department of Economic Development, Workforce Development Coordinator, 200 East Grand Avenue, Des Moines, Iowa 50309. Only the applications of eligible applicants will be considered. Applications may be submitted at any time during the year but must be submitted at least 15 days prior to the start date of activities for which reimbursement through this program is being requested. Applications will be reviewed in the order in which they are received.

**8.9(6) Required proposal inclusions.** Required contents of an application will be described in the application. Applications must address all information requested in the application packet to be considered for award. If all requested information is not provided, applications will not be considered for funding. Applicants who are denied funding may reapply. Reapplications will be treated as new applications.

**8.9(7) Evaluation and rating criteria.** The criteria used for scoring the application will include the following:

- a. Sufficient need for the project has been established by participating groups, up to 10 points.
- b. The project will enhance the skill development of Iowa's current and potential employees or will address a skill development need, up to 10 points.
- c. The scope of the project is such that there is benefit and the potential for replicability for several businesses, industries, communities, or individuals, up to 10 points.
- d. The project represents a coordinated, collaborative approach to addressing the need or problem identified and involves appropriate organizations, up to 10 points.
- e. The project is for a new or emerging industry that will benefit from the activities under this project or it addresses technological skills enhancements that will be realized as a result of this project, up to 10 points.
- f. Individuals, industries, businesses or communities will benefit from this project from a workforce development perspective, up to 10 points.
- g. The project is feasible in terms of the reasonableness of the budget in comparison to the expected outcomes, other comparable training, and the demands of the individuals, businesses, industries, or communities it will serve, up to 15 points.
- h. The expected outcomes will assist the current labor market to become or remain competitive and will foster growth in the local and state economy. This may be evidenced by expected increases in wages or career opportunities of trainees, or by expected competitive advantages to be realized by companies or industries, or by projected enhancement of employment opportunities for communities, up to 10 points.
- i. The previous experience of the project operator or service provider is sufficient to ensure quality programming, up to 5 points.

j. Match contributed to the project evidences commitment to the project on behalf of the proposer, up to 10 points.

Proposals will be reviewed by two department staff members. As a part of this review, staff will ascertain which community college district(s) the project corresponds to and notify the appropriate community college president from that district of the proposal for purposes of review and comment. Points will be assigned for each evaluation criteria by each of the respective staff and totaled. The two scores will then be averaged. Proposals receiving an average score of at least 70 out of a possible 100 points will be presented to the IDED board for a final funding decision. The IDED board will base a final funding decision upon the project's ability to address the annual priorities previously established by the IDED and board and upon availability of funding.

**8.9(8) Award process.** Upon approval of the IDED board, the applicant will receive an award letter which will state the amount and conditions of the award. Awards will be made in the form of grants.

**8.9(9) Contract.** Following notification of award, a contract will be prepared for execution between the applicant and IDED. The final project application will become part of the contract. In addition, there will be other contract assurances which will include, but are not limited to, the provisions of these rules and applicable state and federal laws. After execution of the contract the grantee may request disbursement of funds on the form(s) prescribed by IDED.

**261—8.10(15,76GA,ch1180) Negotiation and award.** The department reserves the right to negotiate the amount, terms or other conditions of the grants or forgivable loans prior to the award.

**261—8.11(15,76GA,ch1180) Administration.**

**8.11(1) Access to records.** The department or its designees, at all reasonable times, may enter the grantee's establishment during the course of or following the completion of the projects for any purpose arising from the performance of the contracted project or agreement.

**8.11(2) Waiver.** The department may waive particular provisions of the program requirements outlined in this chapter, provided the waiver does not conflict with applicable state laws. Waivers will be provided only in extreme circumstances when chapter requirements are hindering the ability of a specific project to carry out the intent of the applicable program.

**8.11(3) Record keeping and retention.** Grantees shall maintain all records required for compliance with applicable law, regulation and project contracts until the end of the fiscal year following the year the project was closed out.

**8.11(4) Data collection and reporting.** Grantees shall collect, maintain, and report to IDED information pertaining to the characteristics of the participants, activity and service levels, program outcomes, and expenditures as required for program analysis.

**8.11(5) Monitoring.** Each grantee must make available all of its records pertaining to all matters related to the program being operated. They shall also permit the department to utilize, monitor, examine or make excerpts of transcripts from such records, contracts, invoices, personnel records, conditions of employment, and other data and records related to all other matters covered by this program.

**8.11(6) *Compliance problems.*** When problems of compliance with law, regulation, or contract or agreement stipulations are noted or when it is discovered a grantee has made false or misleading representations in the program application, contract, or agreement, the department may require corrective action to be taken. Failure to respond to corrective action requests may result in the establishment of a debt on the part of the grantee.

**8.11(7) *Remedies for noncompliance.*** At any time before project closeout, the department may, for cause, find that a grantee is not in compliance with the requirements of a program under the workforce development fund. At the department's discretion, remedies for noncompliance may include the following:

- a. Issue a warning letter that further failure to comply with program requirements within a stated period of time will result in a more serious sanction.
- b. Condition a future grant or agreement.
- c. Direct the grantee to stop incurring costs under the project.
- d. Require that some or all of the grant amounts be remitted to the state.
- e. Reduce the level of funds that the grantee would otherwise be entitled to receive.
- f. Elect not to provide future workforce development fund moneys to the grantee until the appropriate actions are taken to ensure compliance.

**8.11(8) *Compliance with applicable labor laws.*** Grantees shall operate all projects in compliance with state and federal health, safety, equal opportunity, and other applicable labor laws.

**261—8.12(15,76GA,ch1180) Training materials and equipment.** Training materials and equipment that are needed to carry out the deliverables described within a project may be purchased by the grantee, unless specified otherwise in the program-specific requirements of these rules. For the purposes of this chapter, equipment means property with a purchase price of \$1000 or more and an anticipated useful life in excess of one year. Equipment purchased with workforce development funds shall not be used by any entity for the purposes of generating a profit to the entity, unless the equipment purchase was prorated based upon anticipated usage between grant or forgivable loan funds and cash provided by the purchasing entity. Equipment with any remaining useful life may be disposed of at fair market value, with any funds realized from that sale being repaid to the department either in whole or on a prorated basis. Equipment that no longer has a useful life or that has no remaining value may be disposed of by the grantee with the permission of IDED.

**261—8.13(15,76GA,ch1180) Redistribution of funds.** The department reserves the right to recapture and redistribute funds based upon projected expenditures, if it appears that funds will not be expended in accordance with the proposed budget for a project.

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